significant increase in smuggling across India's borders with neighbouring countries.

(d) Yes, Sir. There is a proposal to set up Border Haats along the Indo-Bangladesh border. Currently, there is border trade arrangement at three Land Customs Stations (LCS) on the Indo-China border and one LCS on the Indo-Myanmar border, as per the bilateral agreements with China and Myanmar respectively.

ADB aid to Kerala for development of projects

3569. SHRI ABDUL WAHAB PEEVEE: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Kerala has signed any agreement with Asian Development Bank securing loan for construction and development of various projects in the State; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. There are two ongoing projects in Kerala State with loans from Asian Development Bank. One loan agreement (Loan No. 2166-IND and Grant No. 0005-IND) regarding Tsunami Emergency Assistance (Sector) Project was signed on 12th May, 2005 and another loan agreement (Loan No. 2226-IND) regarding Kerala Sustainable Urban Development Project was signed on 8th December, 2006 by State Government of Kerala with Asian Development Bank.

(b) Under Loan No. 2166-IND and Grant No. 0005-IND regarding Tsunami Emergency Assistance (Sector) Project, ADB has provided a package of US $ 56.25 million ($ 32.45 million is on loan basis and $ 23.80 million is on grant basis). Objective of the Project is to support the efforts of State Government of Kerala for accelerated economic growth and poverty alleviation in the Tsunami affected areas primarily through restoration of livelihoods, especially of the poor and rehabilitation and reconstruction of damaged public infrastructure.

Under Loan No. 2226-IND regarding Kerala Sustainable Urban Development Project, ADB has provided a loan of US $ 221.2 million. The objectives of the Project are to improve the urban environment, economy

and living conditions in the Project cities and Urban Local Bodies (ULBs) under the Project. Project cities include Kochi, Kollam, Kozhikode, Thiruvananthapuram and Thrissur and ULB is any urban local body situated in Kerala including any of the Project cities.

Effect of rate of interest on infrastructure projects

†3570. SHRIMATI SUSHMA SWARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the infrastructure related projects are affected due to increase in rate of interest; and

(b) if so, the efforts being made by Government to complete the said projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir, Infrastructure-related projects like all other projects are affected due to increase in rate of interest. In particular, the existing projects are affected due to cost overruns.

(b) Though interest rate risk is a critical factor, it is not the only factor affecting the completion of the projects. Not many infrastructure projects have been stalled only due to rise in interest rates. Furthermore, the concessionaires normally make prior arrangements to reduce the adverse effect of a rise in interest rate. Nowadays, long term loans are being negotiated and the reset periods are coming down. Also the cost estimates of several public sector infrastructure projects have been revised upward to enable their timely completion.

Staff crunch in Income Tax Department

3571. SHRI SYED AZEEZ PASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income Tax Department has been facing acute staff crunch though the number of assessees and tax collection have increased;

†Original notice of the question was received in Hindi.